

E-002/C-90-271 ORDER DENYING REQUEST FOR EVIDENTIARY HEARING AND  
DENYING PETITION FOR REINSTATEMENT OF CONSTRUCTION CREW

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Complaints  
by the Cities of Tracy, Currie  
and Garvin, Minnesota Against  
Northern States Power Company  
Concerning the Removal of a  
Construction Crew and Equipment  
from the City of Tracy

ISSUE DATE: January 22, 1991

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CONSTRUCTION CREW

**PROCEDURAL HISTORY**

On April 16, 1990, the City of Tracy, Minnesota (Tracy) filed a complaint against Northern States Power Company (NSP or the Company). In the complaint Tracy stated that electric service to the community had declined unreasonably since NSP relocated a two-person construction crew from Tracy to Pipestone, Minnesota. In its complaint Tracy requested the Commission to order NSP to return the construction crew to Tracy, or in the alternative, to hold an evidentiary hearing on the matter in the City of Tracy.

The City of Currie, Minnesota (Currie) filed a similar complaint on April 23, 1990. On May 14, 1990, the City of Garvin, Minnesota (Garvin) filed a third similar complaint. Tracy, Currie, and Garvin (together, the Cities) had formerly been served by the same two-person construction crew that was now relocated in Pipestone.

On May 25, 1990, the Commission issued its Notice of Formal Complaint and Request for Response and Comments. In that Notice the Commission required NSP to respond to the complaints by June 12, 1990, and required responding parties to submit their replies by July 6, 1990.

NSP submitted comments on June 13, 1990, July 5, 1990, and August 24, 1990. The Department of Public Service (the Department) filed data requests and comments on June 25, 1990 and August 24, 1990. The Cities submitted their data requests and comments on July 6, 1990, August 8, 1990, August 29, 1990, and October 9, 1990.

In response to requests by the parties, the Commission issued its ORDER GRANTING ADDITIONAL TIME FOR DISCOVERY AND COMMENTS on July 24, 1990. This Order extended the deadline for replies by the parties until August 24, 1990.

The Commission met to consider the matter on January 9, 1991.

### **FINDINGS AND CONCLUSIONS**

#### **Should an evidentiary hearing be held in Tracy?**

The Cities have asked that if the Commission fails to order NSP to return the construction crew to Tracy, that the Commission hold an evidentiary hearing in Tracy to gather more information about the complaints.

The Commission finds that it will not be necessary to hold the requested evidentiary hearing. All parties had sufficient opportunity to submit comments and data requests during the comment period. Residents of the three affected cities had the chance to submit their comments and information to the Commission. The Commission finds that there are no material facts in dispute which would necessitate an evidentiary hearing. The Commission will therefore deny the Cities' requests for an evidentiary hearing.

#### **Are the Cities receiving reasonable and nondiscriminatory service when the nearest construction crew is located in Pipestone?**

Since NSP relocated its construction crew and construction equipment from Tracy to Pipestone, Tracy has been left with an NSP district representative and the district representative's emergency vehicle. NSP does not intend to remove the NSP district representative, who will remain in Tracy and continue to handle most customer service functions, power outages and emergencies for the Cities. NSP has estimated a cost savings of \$100,000 per year from the transfer of the construction crew. The Cities contend that the economic benefits do not justify the transfer because NSP's response time, handling of power outages and emergency power restoration for critical services will all suffer.

#### **Response time**

If NSP's transfer of its construction crew is allowed, response time from the district representative based in Tracy will remain unaffected. Tracy is 15 minutes from Currie and 10 minutes from Garvin. Most repairs and routine customer service functions will continue to be handled by the Tracy-based district

representative.

Construction crews and construction equipment are necessary for repair of major outages and new construction. Travel time from Pipestone, the site of the relocated construction crew, to the Cities will range from 40 to 45 minutes. This is slightly higher than the average response time of 29 minutes for similar cities. Although the new construction crew response time will be higher than average, the Commission feels that the response time remains adequate and reasonable. The level of service must be balanced against the substantial cost saving. NSP is obligated to make sound economic judgments on behalf of its ratepayers. The Commission finds that the response time from the Pipestone-based construction crew is reasonable and appropriate.

#### Power outages

In times of major power interruptions, repair is conducted by construction crews who are coordinated by the Company's regional dispatch center. Lesser outages are handled by the Company's district representative. The parties note that power outages requiring repair from a construction crew occur two to four times per year.

The Commission finds that the residents of Tracy, Garvin and Currie will be adequately and reasonably served during power outages with the district representative located in Tracy and the closest construction crew in Pipestone. The Company's system of regional repair control, and the fact that the district representative will remain in Tracy, indicate that the Cities will be fairly served.

#### Interruption of critical services

Hospitals, nursing homes and similar locations are considered critical service facilities. NSP recognizes the essential needs of these customers by specially identifying them on their customer account records and distribution maps. This system prevents power shut off for nonpayment of a bill, and allows the Company to restore disrupted service to these facilities on a priority basis.

The Commission finds that a district representative located in Tracy and a construction crew and equipment located in Pipestone will adequately protect the Cities' critical service facilities. NSP should not be held responsible for emergencies beyond this reasonable level of service. The Commission notes that critical service facilities often choose to provide on their own for emergency backup service, and are free to do so.

Commission action

The Commission finds that the residents of Tracy, Currie and Garvin are receiving reasonable, nondiscriminatory and adequate service with an NSP district representative located in Tracy and the nearest construction crew located in Pipestone. The Commission will therefore deny the Cities' petition for a Commission-ordered reinstatement of the Tracy construction crew.

ORDER

1. The Cities' request for an evidentiary hearing regarding relocation of the NSP construction crew from Tracy to Pipestone is denied.
2. The Cities' request for a Commission Order requiring NSP to reinstate the Tracy construction crew is denied.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster  
Executive Secretary

(S E A L)